

Message Text

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62

ORIGIN ARA-10

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----- 048248

P 092135Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY MONTEVIDEO PRIORITY

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E.O. 11652: N/A

TAGS: AFSP, UY

SUBJECT: LOCAL COMPENSATION PLAN

REFS: MONTEVIDEO 3307, SEPT. 7; MONTEVIDEO 2580, JULY 12;
STATE 84781, APRIL 8, 1976

1. DEPARTMENT AND INTERESTED AGENCIES APPROVE IMPLEMENTATION OF PROPOSED SALARY SCHEDULE AS DEVELOPED BY CONTRACTORS WITH CHANGES ENUMERATED IN PARAGRAPH 5.

2. EFFECTIVE DATE IS SEPTEMBER 12, 1976 (PAY PERIOD 19).

3. DEPARTMENT MADE A SPOT-CHECK REVIEW OF THE LOCAL SALARY SURVEY DATA SUBMITTED BY THE CONTRACTORS CHARLES ELLISON AND JOSEPH BARTOS. IT WAS FOUND THAT IN GENERAL THE CON-

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TRACTORS FOLLOWED THE GUIDELINES SET FORTH IN THE LOCAL

EMPLOYEE COMPENSATION HANDBOOK FOR CONDUCTING THE SURVEY AND COMPUTING THE DATA. HOWEVER, IN THE CONTRACTORS' COMPARISON OF THE HOST GOVERNMENT SOCIAL INSURANCE PROGRAM WITH THE CIVIL SERVICE RETIREMENT SYSTEM AND THE POST'S MEDICAL PROGRAM, IT WAS UNABLE TO AGREE WITH CONTRACTORS' OVERALL EVALUATION OF THE BENEFITS PROVIDED BY THE LOCAL GOVERNMENT PLAN AND NOT PROVIDED BY CSR OR THE POST'S MEDICAL PROGRAM. THEIR EVALUATION RESULTED IN IMPROPER PLUS ADJUSTMENTS REPRESENTING FAMILY ALLOWANCE ACCIDENT INSURANCE AND THE DIFFERENCE IN COST OF THE TWO MEDICAL PROGRAMS.

4. CA-7452 AND SECTION 2.3-4 OF THE LEC HANDBOOK PROVIDE THAT NO PLUS ADJUSTMENTS SHALL BE INCLUDED IN PAY FOR RETIREMENT AND OTHER SOCIAL BENEFITS WHERE THE MAJORITY OF FSL EMPLOYEES ARE COVERED UNDER CSR. THIS IS THE CASE IN MONTEVIDEO. AN EXCEPTION IS POSSIBLE WHERE THE COMBINATION OF EMPLOYER-HOST GOVERNMENT CONTRIBUTIONS (THE LATTER BEING A REGULARLY SCHEDULED MEASURABLE AMOUNT) EXCEEDED (A) 23 PERCENT (CSR COSTS) PLUS (B) THE VALUE OF ANY OTHER COMPARABLE SOCIAL BENEFITS PROVIDED DIRECTLY BY THE USG. IT IS OUR UNDERSTANDING THAT THE LOCAL SYSTEM IS NOT A VIABLE SYSTEM AND IS INFERIOR WITH RESPECT TO THE RETIREMENT BENEFITS VERSUS CSR (SEE MONTEVIDEO A-76, AUGUST 2, 1976). IN VIEW OF THESE CIRCUMSTANCES, NO PLUS ADJUSTMENTS REGARDLESS OF THE SIZE OF THE CONTRIBUTION OF THE EMPLOYER/HOST GOVERNMENT IS CONSIDERED APPROPRIATE.

5. IN VIEW OF THE LENGTH OF TIME REQUIRED FOR THE CONTRACTORS TO REWORK ALL THE DATA TO EXCLUDE THE IMPROPER PLUS ADJUSTMENTS, A REDUCTION IN THE CONTRACTORS' PROPOSED SALARY SCHEDULE BY THE AVERAGE OF THE IMPROPER ADJUSTMENTS (8.3 PERCENT) WILL PROVIDE SUFFICIENTLY ACCURATE RESULTS. FOLLOWING IS A CHART WHICH SHOWS THE MINIMUM AND MAXIMUM RATES OF THE CONTRACTORS' PROPOSED SALARY SCHEDULE REDUCED BY 8.3 PERCENT.

CLASS	PROPOSED SCHEDULE	PSI
LEVEL	MINIMUM MAXIMUM	7 AT

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FSL-9	30,372	40,858	1498.00
FSL-8	25,853	35,338	1355.00
FSL-7	22,290	30,214	1132.00
FSL-6	17,580	23,978	914.00
FSL-5	13,750	19,756	858.00
FSL-4	10,806	15,510	672.00
FSL-3	8,185	11,489	472.00
FSL-2	6,792	9,263	353.00

FSL-1 5,751 7,795 292.00

6. MILGRP PORTION OF APPROVAL SHOULD BE OBTAINED DIRECT
FROM USCINCSO, PANAMA.

7. SUBMIT MASS PAY CHANGES TO WFC BY CABLE ASAP.

8. POSITION CLASSIFICATION SURVEY PERFORMED BY MESSRS.
EINHORN AND MEECHAN DOES NOT REQUIRE APPROVAL FROM WASH-
INGTON FOR IMPLEMENTATION. IF THEIR FINDINGS ARE

SATISFACTORY TO MISSION, PROCEED WITH IMPLEMENTATION ON
SEPTEMBER 12 ALSO. KISSINGER

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Message Attributes

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Margaret P. Grafeld
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